

J. ROBERT WOOLEY,
COMMISSIONER OF INSURANCE FOR
STATE OF LOUISIANA, AS LIQUIDATOR
FOR AMCARE HEALTH PLANS
OF LOUISIANA, INC., ET AL.

Number: 499,737

DIVISION "D"

19TH JUDICIAL DISTRICT COURT

VERSUS

PARISH OF EAST BATON ROUGE

THOMAS S. LUCKSINGER, ET AL.

STATE OF LOUISIANA

*****CONSOLIDATEDWITH*****

J. ROBERT WOOLEY,
COMMISSIONER OF INSURANCE FOR
STATE OF LOUISIANA, AS LIQUIDATOR
FOR AMCARE HEALTH PLANS
OF LOUISIANA, INC., ET AL.

Number: 509,297

DIVISION "D"

19TH JUDICIAL DISTRICT COURT

VERSUS

PARISH OF EAST BATON ROUGE

FOUNDATION HEALTH CORP., ET AL

STATE OF LOUISIANA

*****CONSOLIDATEDWITH*****

J. ROBERT WOOLEY,
COMMISSIONER OF INSURANCE FOR
STATE OF LOUISIANA, AS LIQUIDATOR
FOR AMCARE HEALTH PLANS
OF LOUISIANA, INC., ET AL.

Number: 512,366

DIVISION "D"

19TH JUDICIAL DISTRICT COURT

VERSUS

PARISH OF EAST BATON ROUGE

PRICEWATERHOUSECOOPERS, LLP

STATE OF LOUISIANA

CONSENT MOTION TO APPROVE MUTUAL RELEASE
AND INCORPORATED MEMORANDUM

James J. Donelon, Commissioner of the Insurance of the State of Louisiana, in his capacity as Liquidator of AmCare Health Plans of Louisiana, Inc., in Liquidation, through the court-approved Deputy Receiver Marlon Harrison ("AmCare-LA"), respectfully requests that this Court approve the Mutual Release to be signed by AmCare-LA, Jean Johnson, as Special Deputy Receiver for AmCare Health Plans of Texas, Inc. in Receivership and AmCare Management, Inc. in receivership ("AmCare-TX"), and John D. Doak, Commissioner of Insurance for the State of Oklahoma, in his capacity as Receiver of AmCare Health Plans of Oklahoma, Inc., In Liquidation, through the court-appointed Assistant Receiver Billy Bostick ("AmCare-OK") (collectively, the "Receivers"), on the one hand, and Health Net, Inc. ("Health Net") on the other hand, and issue an order authorizing AmCare-LA to sign the Mutual Release, and in support of this motion represents:

1.

AmCare Health Plans of Louisiana, Inc., was placed into receivership by a court of competent jurisdiction, and the Louisiana Commissioner of Insurance was appointed as Liquidator.

2.

AmCare Health Plans of Oklahoma, Inc., was placed into receivership by a court of competent jurisdiction, and the Oklahoma Commissioner of Insurance was appointed as receiver.

3.

AmCare Health Plans of Texas, Inc., was placed into receivership by a court of competent jurisdiction, and the Texas Commissioner of Insurance was appointed as receiver.

4.

The Receivers of AmCare Health Plans of Louisiana, Inc., AmCare Health Plans of Oklahoma, Inc. and AmCare Health Plans of Texas, Inc., commenced litigation against Health Net, Proskauer Rose, L.L.P., Stuart Rosow, AmCareco, Inc., Thomas Lucksinger, Stephen J. Nazarenius, Michael D. Nadler, William F. Galtney, Michael K. Jhin, John P. Mudd, Scott Westbrook M. Lee Pearce, and PriceWaterhouseCoopers alleging various statutory and common law claims (the "Litigation").

5.

The Receivers previously reached and executed settlement agreements with all parties named in the Litigation except Health Net.

6.

Health Net commenced litigation styled *HealthNet, Inc. v. James J. Donelon et al*, Case No. 550,259, 19th Judicial District Court, Parish of East Baton Rouge, State of Louisiana, as well as that now-dismissed case entitled *HealthNet, Inc. v. J. Robert Wooley, Commissioner, et al*, Case No. 2006-845, United States District Court, Middle District of Louisiana (collectively, the "Nullity Litigation"), in which Health Net sought to annul certain judgments rendered against it in the Litigation.

7.

The Receivers and Health Net have resolved all of their remaining differences and disputes between them, including all remaining issues still pending in the Litigation and the Nullity Litigation.

8.

In conjunction with that resolution of all remaining differences and disputes, the Receivers and Health Net, Inc., have agreed to enter in the Mutual Release, a copy of which is attached to this Motion as Exhibit A.

9.

Pursuant to Section 14 of the Mutual Release, it is conditioned upon each of the receivership courts, including this court, issuing an order approving the Mutual Release, and that order becoming final and nonappealable.

10.

AmCare-LA believes that the resolution of all remaining differences and disputes between the Receivers and Health Net, Inc., as memorialized in the Mutual Release attached as Exhibit A, is in the best interest of AmCare-LA, the State of Louisiana, the estate of AmCare Health Plans of Louisiana, Inc., the policyholders and creditors of AmCare-LA, and the claimants who filed proofs of claim in the receivership proceedings for AmCare-LA.

11.

AmCare-LA believes that the resolution of all remaining differences and disputes between the Receivers and Health Net, Inc., as memorialized in the Mutual Release attached as Exhibit A, is in the best interest of justice and judicial economy, and represents the most economical use of AmCare-LA's resources.

12.

Thus, AmCare-LA seeks an order of this court approving the Mutual Release, and authorizing AmCare-LA to sign the Mutual Release.

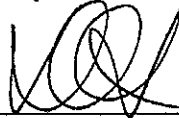
13.

Because this Receivership proceeding will continue after this Court issues the requested order, AmCare-LA requests that this Court specify that there is no just reason for delay, and designate the order as final and appealable, all pursuant to La. Code Civ. Proc. art. 1915.

14.

AmCare-LA has discussed this motion with Health Net, and Health Net consents to this motion.

Respectfully submitted:



Edward J. Walters (La. Bar #13214)
J. E. Cullens, Jr. (La. Bar #23011)
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Attorneys for James J. Donelon,
Commissioner of the Insurance of the
State of Louisiana, in his capacity as
Liquidator of AmCare Health Plans of
Louisiana, Inc., in Liquidation, through
the court-approved Deputy Receiver
Marlon Harrison

CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing has been forwarded via e-mail and U.S.

Mail, postage prepaid to all counsel as follows:

James C. Percy (via U.S. Mail also)
David M. Kerth
Jones, Walker, Waechter, Poitevent,
Carrere & Denegre, L.L.P.
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Mr. Guy Hohmann
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Austin, Texas 78701

Mr. Jim W. George
George & Brothrs, LLP
114 W. 7th Street, #1100
Austin, TX 78701

Baton Rouge, Louisiana this 28th day of March, 2012.



J. E. Cullens, Jr.

J. ROBERT WOOLEY,
COMMISSIONER OF INSURANCE FOR
STATE OF LOUISIANA, AS LIQUIDATOR
FOR AMCARE HEALTH PLANS
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Number: 499,737

DIVISION "D"

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Number: 512,366

DIVISION "D"

19TH JUDICIAL DISTRICT COURT

VERSUS

PARISH OF EAST BATON ROUGE

PRICEWATERHOUSECOOPERS, LLP

STATE OF LOUISIANA

HEALTH NET, INC.

Number 550,259

19th JUDICIAL DISTRICT COURT

VERSUS

PARISH OF EAST BATON ROUGE

J. ROBERT WOOLEY, ET AL

STATE OF LOUISIANA

MUTUAL RELEASE

This Mutual Release (the "Release") is made and entered into by and between James J. Donelon, Commissioner of the Insurance of the State of Louisiana, in his capacity as Liquidator of AmCare Health Plans of Louisiana, Inc. in Liquidation, through the court-approved Deputy Receiver Marlon Harrison ("AmCare-LA"), Eleanor Kitzman, Commissioner of the Texas Department of Insurance, in her capacity as Receiver of AmCare Health Plans of Texas, Inc., in Receivership and AmCare Management, Inc. in receivership, through her court-appointed Special Deputy Receiver, Jean Johnson, as Special Deputy Receiver for AmCare Health Plans of

Texas, Inc. in Receivership and AmCare Management, Inc. in receivership ("AmCare-TX"), and John D. Doak, Commissioner of Insurance for the State of Oklahoma, in his capacity as Receiver of AmCare Health Plans of Oklahoma, Inc., in Liquidation, through the court-appointed Assistant Receiver Billy Bostick ("AmCare-OK") (collectively, the "Receivers"), on the one hand, and Health Net, Inc. ("Health Net") on the other hand:

Recitals

A. WHEREAS, AmCare Health Plans of Louisiana, Inc. was placed into receivership by a court of competent jurisdiction, and the Louisiana Commissioner of Insurance was appointed as Liquidator; and

B. WHEREAS, AmCare Health Plans of Oklahoma, Inc. was placed into receivership by a court of competent jurisdiction, and the Oklahoma Commissioner of Insurance was appointed as Receiver; and

C. WHEREAS, AmCare Health Plans of Texas, Inc. was placed into receivership by a court of competent jurisdiction, and the Texas Commissioner of Insurance was appointed as Receiver; and

D. WHEREAS, the Receivers of AmCare Health Plans of Louisiana, Inc., AmCare Health Plans of Oklahoma, Inc. and AmCare Health Plans of Texas, Inc. (the *Receivers*) commenced litigation against Health Net, Inc., Proskauer Rose, L.L.P., Stuart Rosow, Amcareco, Inc., Thomas Lucksinger, Stephen J. Nazarenus, Michael D. Nadler, William F. Galtney, Michael K. Jhin, John P. Mudd, Scott Westbrook M. Lee Pearce, and PriceWaterhouseCoopers alleging various statutory and common law claims (the *Litigation*); and

E. WHEREAS, Health Net, Inc. commenced litigation styled *Health Net, Inc. v. James J. Donelon et al*, Case No. 500,259, 19th Judicial District Court, Parish of East Baton Rouge, State of Louisiana, as well as that now-dismissed case entitled *Health Net, Inc. v. J. Robert Wooley, Commissioner, et al.*, Case No. 2006-845, United States District Court, Middle District of Louisiana (collectively, the *Nullity Litigation*); and

F. WHEREAS, the Receivers previously reached and executed settlement agreements with all parties named herein except Health Net, Inc. (the *Settling Parties*); and

G. WHEREAS, the Receivers and Health Net, Inc. desire to and have resolved all of their remaining differences and disputes;

Agreement

NOW THEREFORE, for the releases, covenants, representations, warranties and promises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Receivers and Health Net, Inc. wish to release all remaining claims they have among themselves and the Settling Parties arising prior to the date of this Mutual Release as follows:

1. Health Net, its officers, directors, agents, heirs, assigns, employees, subsidiaries, affiliates, parent corporations, related entities, managing brokers, servants, attorneys, accountants, consultants and divisions, on behalf of anyone acting for or on its behalf, either directly or indirectly, does hereby release the Receivers, in their representative and individual capacities, their employees, agents, heirs, accountants, consultants, attorneys, Jean Johnson, Marlon Harrison, Billy Bostick and anyone acting on their behalf of all claims and causes of action it may have, as of the date of this Mutual Release, against any of the Receivers, their employees, agents heirs, consultants, accountants, attorneys and anyone acting on their behalf, regardless of whether such claim was asserted in the Litigation or the Nullity Litigation. Specifically, Health Net releases all claims it could have asserted in any court against the Receivers, their employees, agents and attorneys regardless whether it is aware of such claim that existed as of the date of this Release, including but not limited to claims of gross negligence and the action for nullity, as well as any claims that Health Net has or may have had against the Departments of Insurance and the past and present Commissioners of Insurance (in their individual, official and representative capacities, including, without limitation, the capacity as Receiver), in Louisiana, Oklahoma, and Texas regarding Health Net, AmCare-LA, AmCare-OK and AmCare-TX in any way.

2. Health Net does hereby release the Settling Parties, their employees, agents and attorneys of all claims it may have, as of the date of this Mutual Release, against any of the Settling Parties, their employees, agents and attorneys, regardless whether such claim was asserted in the Litigation or the Nullity Litigation. Specifically, Health Net releases all claims it could have asserted in any court against the Settling Parties, their heirs, employees, agents, consultants, attorneys and anyone acting on their behalf regardless whether it is aware of such claim that

existed as of the date of this Release, including but not limited to claims of gross negligence, indemnity, contribution and/or willful or malicious conduct.

3. Within ten (10) calendar days of the court approval of this Mutual Release by all parties hereto, Health Net will dismiss with prejudice all claims it has or could in the future assert in the case styled *Health Net, Inc. v. James J. Donelon et al*, Cause No. 500,259 presently pending in the District Court of East Baton Rouge Parish, Louisiana., as well as in case number 499,737, 509,297, 512,366, and 550,259, all presently pending in the Nineteenth Judicial District for the Parish of East Baton Rouge, Louisiana. Health Net shall not assert any of the claims which were or could have been asserted in *Health Net, Inc. v. J. Robert Wooley, et al*, No. 2006-845, filed in the United States District Court for the Eastern District of Louisiana.

4. Within ten (10) calendar days of the court approval of this Mutual Release by all parties hereto, the Receivers and/or AmCare-TX and Amcare-OK will dismiss with prejudice all claims they have or could in the future assert in the case styled *Jean Johnson, Special Deputy Receiver of AmCare Health Plans of Texas, Inc. and AmCare Management, Inc., and Carroll Fisher, Receiver of AmCare Health Plans of Oklahoma, Inc. v. PricewaterhouseCoopers, LLP, et al.*, No. GN 303897, 250th Judicial District Court for Travis County, State of Texas.

5. The Receivers do hereby release Health Net, its officers, directors, agents, heirs, assigns, employees, subsidiaries, affiliates, parent corporations, related entities, managing brokers, servants, attorneys, accountants, consultants and divisions, on behalf of anyone acting for or on its behalf, either directly or indirectly, from all claims not previously satisfied by Health Net's payment of the judgment the Receivers obtained against it that each or any of them may have against Health Net as of the date of this Mutual Release. The Receivers waive all further claims, including for damages, fees, or court costs, that may otherwise be recoverable from Health Net, its officers, directors, agents, heirs, assigns, employees, subsidiaries, affiliates, parent corporations, related entities, managing brokers, servants, attorneys, accountants, consultants and divisions, on behalf of anyone acting for or on its behalf, either directly or indirectly, in the Litigation and the Nullity Litigation, other than the costs already collected by the Receivers from Health Net.

6. Health Net and the Receivers covenant and agree not to assert any claim they may have of any type including, but not limited to, claims of contribution and/or indemnity, against Proskauer Rose, L.L.P., Stuart Rosow, Amcareco, Inc., its officers, directors, and shareholders, Thomas Lucksinger, Stephen J. Nazarens, Michael D. Nadler, William F. Galtney, Michael K. Jhin, John P. Mudd, Scott Westbrook, Executive Risk Specially Insurance Company, Executive Risk Indemnity, Inc., Executive Risk Management Associates, XL Specialty Insurance Company, Greenwich Insurance Company, M. Lee Pearce, or PricewaterhouseCooper, LLP, arising in whole or in part from the creation and/or operation of AmCareco, Inc.; AmCare Health Plans of Louisiana, Inc.; AmCare Health Plans of Oklahoma, Inc. or AmCare Health Plans of Texas, Inc., and/or the Litigation. Each of the Receivers reserves the right to assert any claim or defense that that receiver may have in connection with any proof of claim filed by any officer or director of AmCare Health Plans of Texas, Inc., AmCare Health Plans of Oklahoma, Inc. and AmCare Health Plans of Louisiana, Inc., including, but not limited to, any claim or defense in the AmCare Health Plans of Louisiana, Inc. receivership arising from the proof of claim filed by Scott Westbrook.

7. Each person signing this agreement expressly warrants and represents being of sound mind and otherwise competent to execute this agreement; being the duly authorized representative of the owner of the claims asserted in the Litigation, the Nullity Litigation and any other claims with respect to the subject matter thereof that could have been brought, known or unknown, present or future; that all such claims are subject to this agreement; and that only the parties hereto have the sole right and authority to settle, compromise, and release such claims and to execute this agreement. Each person signing this agreement expressly warrants and represents that there has been no conveyance, assignment or other transfer to anyone of any right, title or interest in any claim made the subject of this Release. Each party hereto further agrees to indemnify and hold harmless the other against any claims based on any such conveyance, assignment or transfer made by her.

8. It is expressly understood and agreed by the parties hereto that all of the terms hereof are contractual and not merely recitals.

9. Each party to this agreement represents that the terms of this agreement have been completely read by each party with the opportunity to have it explained by their respective attorneys; and that the terms of this agreement are fully understood and voluntarily accepted by each party. Each party represents that there is no ambiguity in the agreement.

10. Each party to this agreement represents that the party has not relied upon any statement or representation pertaining to this matter made any other party hereto or persons representing them, or employed by them.

11. Each party hereto agrees to cooperate fully and execute any and all supplementary documents and to take all additional action that may be necessary or appropriate to give full force and effect to the basic terms and intent of this agreement.

12. All parties to this agreement acknowledge that they, through their counsel, have participated in the drafting and preparation of this agreement, and that no party shall be entitled to the benefit of any rule or presumption in favor or against any party as the "drafter" of such agreement should there be a challenge to this agreement, based upon any alleged ambiguity contained herein.

13. This agreement contains and constitutes the entire agreement between the parties hereto with regard to the matters set forth in it, and any and all prior or contemporaneous agreements, understandings, promises, representations, warranties and covenants, whether written or oral, or whether expressed, implied or apparent, are hereby deemed merged into and made a part of this agreement. This agreement shall be binding upon and inure to the benefit of the representatives, successors and assigns of each. The parties hereto each agreed that they will not challenge the validity of this agreement, or of specific provisions or clauses contained herein, and agree that the parties will exercise their best efforts to support the validity of and enforce the agreement in the event it is challenged by other persons or entities.

14. In the event that any provision of this agreement is determined to be invalid or unenforceable, only such invalid provision will be stricken from the agreement, and the other terms and conditions of the agreement will remain enforceable and will be given full effect.

Notwithstanding the foregoing, and as further set forth in paragraph 15 below, if the agreement is not approved by each receivership court, the agreement will not be binding and will be of no further force and effect.

15. This agreement is expressly conditioned on approval by the Louisiana, Oklahoma and Texas receivership courts, pursuant to the statutory and/or common law requirements for approval in each state. Even if signed by all parties, this agreement does not become final unless and until the orders approving this agreement are entered by the three (3) receivership courts and become final and non-appealable. Each receiver, in each of the respective receivership courts, will prepare and file all applications, petitions, pleadings and/or other documents and issue any and all required notices, necessary to seek approval of this agreement in the manner required by the law of each state. Each receiver makes this agreement in a representative capacity, and this agreement is neither an individual agreement of the receiver nor an agreement of the state which appointed the receiver.

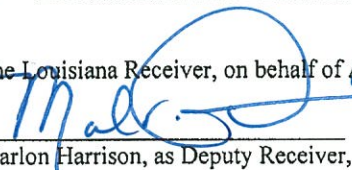
HEALTH NET, INC.

By: _____

Its: _____

Date: _____

The Louisiana Receiver, on behalf of AmCare Health Plans of Louisiana, Inc. in Liquidation


Marlon Harrison, as Deputy Receiver, and not individually

Date: 7/11/12

The Texas Special Deputy Receiver, on behalf of AmCare Health Plans of Texas, Inc. and AmCare Management, Inc.

Jean Johnson, Special Deputy Receiver of
AmCare Health Plans of Texas, Inc. and AmCare Management, Inc.
and not individually

Date: _____

The Oklahoma Receiver, on behalf of AmCare Health Plans of Oklahoma, Inc.

John D. Doak, Commissioner of
Insurance for the State of Oklahoma
and not individually

Date: _____

J. ROBERT WOOLEY,
COMMISSIONER OF INSURANCE FOR
STATE OF LOUISIANA, AS LIQUIDATOR
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PARISH OF EAST BATON ROUGE

PRICEWATERHOUSECOOPERS, LLP

STATE OF LOUISIANA

FINAL ORDER APPROVING MUTUAL RELEASE

Considering the Consent Motion to Approve Mutual Release and Incorporated Memorandum filed by James J. Donelon, Commissioner of the Insurance of the State of Louisiana, in his capacity as Liquidator of AmCare Health Plans of Louisiana, Inc. in Liquidation, through the court-approved Deputy Receiver Marlon Harrison ("AmCare-LA"):

IT IS ORDERED that the Motion to Approve Mutual Release and Incorporated Memorandum is GRANTED, the Mutual Release attached as Exhibit A to the Motion is approved, and that AmCare-LA is authorized to sign the Mutual Release; and **IT IS FURTHER ORDERED** that there is no just reason for delay, and this order is designated as final and appealable, pursuant to La. Code Civ. Proc. art. 1915.

Signed in Chambers in Baton Rouge, Louisiana, this ____ day of March, 2012.

Janice G. Clark, Judge
19th Judicial District Court, Div. D

CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing has been forwarded via e-mail and U.S.

Mail, postage prepaid to all counsel as follows:

James C. Percy (via U.S. Mail also)
David M. Kerth
Jones, Walker, Waechter, Poitevent,
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Mr. Jim W. George
George & Brothrs, LLP
114 W. 7th Street, #1100
Austin, TX 78701

Baton Rouge, Louisiana this 28th day of March, 2012.

A handwritten signature in black ink, appearing to read 'J. E. Cullens, Jr.', is written over a horizontal line.

J. E. Cullens, Jr.